
BASIC FINANCIAL STATEMENTS

This sub-section contains the Basic Financial Statements and the Notes to the Financial Statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Net Assets
June 30, 2003

	Primary Government			Component Units				
	Governmental Activities	Business-type Activities	Total	Board of Education of Prince George's County	Other Component Units	Total Component Units	Reclassifications (See note 1-s)	Total Reporting Entity
ASSETS								
Cash and investments	\$ 187,714,422	41,202,067	228,916,489	28,938,205	24,008,106	52,946,311	-	281,862,800
Cash with fiscal agents	70,438	415,120	485,558	-	-	-	-	485,558
Receivables (net of allowances for uncollectibles):								
Taxes	7,834,535	701,473	8,536,008	-	-	-	-	8,536,008
Accounts	22,284,911	3,742,076	26,026,987	54,097,996	9,219,618	63,317,614	-	89,344,601
Notes	5,246,249	-	5,246,249	-	-	-	-	5,246,249
Special assessments	3,178,524	-	3,178,524	-	-	-	-	3,178,524
Accrued interest receivable	207,280	4,712	211,992	-	32	32	-	212,024
Internal balance	620,623	(620,623)	-	-	-	-	-	-
Due from component units	16,774,146	-	16,774,146	-	-	-	-	16,774,146
Due from primary government	-	-	-	-	7,271,633	7,271,633	-	7,271,633
Due from other governmental units	112,655,898	2,059,842	114,715,740	45,802,281	6,488,873	52,291,154	-	167,006,894
Inventories	2,048,265	-	2,048,265	3,602,773	111,086	3,713,859	-	5,762,124
Prepaid costs and deposits	1,496,427	865	1,497,292	167,022	280,012	447,034	-	1,944,326
Restricted assets:								
Cash and investments	120,558,330	56,011,083	176,569,413	-	1,049,724	1,049,724	-	177,619,137
Land	-	-	-	-	4,668,096	4,668,096	-	4,668,096
Capital assets (net of accumulated depreciation)	1,598,509,995	204,482,730	1,802,992,725	647,044,954	142,232,178	789,277,132	-	2,592,269,857
Deferred landfill closure costs	-	20,718,167	20,718,167	-	-	-	-	20,718,167
Deferred debt issue costs, net	47,480	2,319,428	2,366,908	-	964,236	964,236	-	3,331,144
Other assets	50,000	-	50,000	-	-	-	-	50,000
Total assets	2,079,297,523	331,036,940	2,410,334,463	779,653,231	196,293,594	975,946,825	-	3,386,281,288
LIABILITIES								
Accounts payable	40,843,584	1,332,653	42,176,237	65,782,310	14,631,737	80,414,047	-	122,590,284
Retainages payable	3,380,422	1,476,258	4,856,680	7,744,554	-	7,744,554	-	12,601,234
Accrued liabilities	22,394,455	1,329,668	23,724,123	63,083,998	1,019,880	64,103,878	-	87,828,001
Deferred revenue	32,654,450	12,929	32,667,379	13,883,230	1,504,569	15,387,799	-	48,055,178
Matured bonds and interest payable	70,438	420,134	490,572	-	-	-	-	490,572
Deposits	45,262,304	479,674	45,741,978	-	644,184	644,184	-	46,386,162
Due to primary government	-	-	-	14,029,816	465,178	14,494,994	-	14,494,994
Due to component units	7,271,633	-	7,271,633	-	-	-	-	7,271,633
Noncurrent liabilities:								
Due within one year	109,125,035	16,393,097	125,518,132	10,167,055	3,828,097	13,995,152	-	139,513,284
Due in more than one year	753,902,248	155,523,497	909,425,745	69,856,730	43,528,376	113,385,106	-	1,022,810,851
Total liabilities	1,014,904,569	176,967,910	1,191,872,479	244,547,693	65,622,021	310,169,714	-	1,502,042,193
NET ASSETS								
Invested in capital assets, net of related debt	1,229,044,309	94,872,069	1,323,916,378	618,124,528	96,151,708	714,276,236	(302,553,455)	1,735,639,159
Restricted for:								
Contingency Reserve	87,262,770	-	87,262,770	-	-	-	-	87,262,770
Debt Service	40,204,267	6,063,574	46,267,841	-	-	-	-	46,267,841
Landfill	-	3,962,549	3,962,549	-	-	-	-	3,962,549
Other	-	9,961,093	9,961,093	2,133,001	1,521,961	3,654,962	-	13,616,055
Unrestricted	(292,118,392)	39,209,745	(252,908,647)	(85,151,991)	32,997,904	(52,154,087)	302,553,455	(2,509,279)
Total Net Assets	\$ 1,064,392,954	154,069,030	1,218,461,984	535,105,538	130,671,573	665,777,111	-	1,884,239,095

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Activities
For the year ended June 30, 2003

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Assets						
		Program Revenues			Primary Government			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Board of Education of Prince George's County Other Component Units
Primary government:								
Governmental activities:								
General government	\$ 163,569,671	39,149,559	19,954,575	-	(104,465,537)	-	(104,465,537)	-
Public safety	339,387,247	30,279,031	25,253,328	3,808,683	(280,046,205)	-	(280,046,205)	-
Public works and transportation	62,533,574	43,396,240	238,711	4,663,850	(14,234,773)	-	(14,234,773)	-
Health	54,483,180	12,341,764	31,278,514	-	(10,862,902)	-	(10,862,902)	-
Public welfare	28,142,139	965,354	25,670,983	-	(1,505,802)	-	(1,505,802)	-
Education:								
Board of Education	545,372,385	-	-	-	(545,372,385)	-	(545,372,385)	-
Community College	14,594,442	-	-	-	(14,594,442)	-	(14,594,442)	-
Memorial Library	14,222,787	-	-	-	(14,222,787)	-	(14,222,787)	-
Interest on long-term debt	37,029,775	-	-	-	(37,029,775)	-	(37,029,775)	-
Total governmental activities	<u>1,259,335,200</u>	<u>126,131,948</u>	<u>102,396,111</u>	<u>8,472,533</u>	<u>(1,022,334,608)</u>	<u>-</u>	<u>(1,022,334,608)</u>	<u>-</u>
Business-type activities:								
Solid Waste	69,991,390	73,600,843	-	-	-	3,609,453	3,609,453	-
Stormwater	23,021,516	2,700,339	-	243,888	-	(20,077,289)	(20,077,289)	-
Total business-type activities	<u>93,012,906</u>	<u>76,301,182</u>	<u>-</u>	<u>243,888</u>	<u>-</u>	<u>(16,467,836)</u>	<u>(16,467,836)</u>	<u>-</u>
Total primary government	<u>\$ 1,352,348,106</u>	<u>202,433,130</u>	<u>102,396,111</u>	<u>8,716,421</u>	<u>(1,022,334,608)</u>	<u>(16,467,836)</u>	<u>(1,038,802,444)</u>	<u>-</u>
Component units:								
Board of Education	\$ 1,242,271,227	49,353,883	155,785,650	-	-	-	-	(1,037,131,694)
Other Component Units:								
General Government	10,984,581	4,953,473	-	5,263,226	-	-	-	(767,882)
Education	91,855,251	25,867,383	10,068,938	4,451,718	-	-	-	(51,467,212)
Community development	56,678,945	1,009,015	47,625,621	11,615,568	-	-	-	3,571,259
Total component units	<u>\$ 1,401,790,004</u>	<u>81,183,754</u>	<u>213,480,209</u>	<u>21,330,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,037,131,694)</u>
General Revenues:								
Property taxes					444,343,071	23,054,564	467,397,635	-
Income taxes					346,562,144	-	346,562,144	-
Transfer and recordation taxes					96,708,946	-	96,708,946	-
Energy taxes					48,292,064	-	48,292,064	-
Telecommunications tax					34,581,070	-	34,581,070	-
Other Taxes					17,531,784	-	17,531,784	-
State shared tax					23,689,799	-	23,689,799	-
Earnings on investments					10,034,035	1,230,470	11,264,505	789,510
Grants and contributions					9,897,793	-	9,897,793	1,074,929,138
Miscellaneous revenue					392,171	-	392,171	-
Total general revenues					<u>1,032,032,877</u>	<u>24,285,034</u>	<u>1,056,317,911</u>	<u>1,075,718,648</u>
Change in net assets					9,698,269	7,817,198	17,515,467	38,586,954
Net assets - beginning of year					<u>1,054,694,685</u>	<u>146,251,832</u>	<u>1,200,946,517</u>	<u>496,518,584</u>
Net assets - end of year					<u>\$1,064,392,954</u>	<u>154,069,030</u>	<u>1,218,461,984</u>	<u>535,105,538</u>

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND

Balance Sheet
Governmental Funds
June 30, 2003

	Assets	General	Federal and State Aided Programs	Capital Projects	Other Governmental Funds	Total Governmental Funds
Cash and investments		\$ 145,217,459	1,368,954	4,597	6,306,665	152,897,675
Cash with fiscal agents		-	-	-	70,438	70,438
Receivables (net of allowances for uncollectibles):						
Taxes		7,774,796	-	-	59,739	7,834,535
Accounts		21,469,267	1,000	-	-	21,470,267
Notes		1,048,187	3,547,325	-	650,737	5,246,249
Special assessments		3,178,524	-	-	-	3,178,524
Accrued interest receivable		103,695	-	-	-	103,695
Due from other funds		25,122,000	-	-	67,325	25,189,325
Due from component units		2,458,729	-	-	-	2,458,729
Due from other governmental units		82,832,899	27,915,906	1,863,298	43,795	112,655,898
Inventories		1,345,246	-	-	-	1,345,246
Restricted assets:						
Cash and investments		3,830,357	691,564	100,752,451	-	105,274,372
Other assets		50,000	-	-	-	50,000
Total assets		<u>\$ 294,431,159</u>	<u>33,524,749</u>	<u>102,620,346</u>	<u>7,198,699</u>	<u>437,774,953</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Compensated absences and termination benefits payable	\$	227,545	-	-	-	227,545
Accounts payable		23,265,460	4,050,492	5,186,715	67,325	32,569,992
Retainages		-	-	3,380,422	-	3,380,422
Accrued liabilities		12,373,800	1,006,250	-	-	13,380,050
Deferred revenue		48,775,852	23,638,025	295,286	710,476	73,419,639
Matured bonds and interest payable		-	-	-	70,438	70,438
Deposits		27,339,996	18,418	17,741,193	10,000	45,109,607
Due to other funds		67,325	4,120,000	20,600,000	8,000	24,795,325
Due to component units		7,271,633	-	-	-	7,271,633
Total liabilities		<u>119,321,611</u>	<u>32,833,185</u>	<u>47,203,616</u>	<u>866,239</u>	<u>200,224,651</u>
Fund balances:						
Reserved		97,585,536	691,564	82,260,134	-	180,537,234
Unreserved:						
Designated, reported in:						
General fund		53,935,465	-	-	-	53,935,465
Special revenue funds		-	-	-	1,426,800	1,426,800
Undesignated, reported in:						
General fund		23,588,547	-	-	-	23,588,547
Special revenue funds		-	-	-	4,905,660	4,905,660
Capital projects fund		-	-	(26,843,404)	-	(26,843,404)
Total fund balances		<u>175,109,548</u>	<u>691,564</u>	<u>55,416,730</u>	<u>6,332,460</u>	<u>237,550,302</u>
Total liabilities and fund balances		<u>\$ 294,431,159</u>	<u>33,524,749</u>	<u>102,620,346</u>	<u>7,198,699</u>	<u>437,774,953</u>

See accompanying notes to financial statements.

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2003

Total fund balances for governmental funds (Exhibit A-3)	\$	237,550,302
--	----	-------------

Amounts reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.
Those assets consist of:

Land	\$	64,580,956	
Infrastructure, net of \$680,173,507 accumulated depreciation		1,204,523,093	
Buildings and improvements, net of \$55,557,055 accumulated depreciation		200,904,195	
Equipment, net of \$83,675,236 accumulated depreciation		26,609,710	
Construction in progress		97,366,460	
Total capital assets			1,593,984,414

The assets and liabilities of the Internal Service Funds (funds used by management to charge the cost of fleet maintenance, information technology, and self-insurance) are included in the governmental activities in the statement of net assets. Internal service fund net assets are:

1,739,668

County revenue that is collected after year-end, but not available soon enough to pay for the current period's expenditures is reported as deferred revenue in the funds.

41,056,702

Long-term liabilities for governmental funds activity are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but is recognized as an expenditure when due. Balances at June 30, 2003 are:

Unmatured accrued interest		(8,683,069)
----------------------------	--	-------------

Long-term liabilities:

Bonded debt	(653,285,784)		
Deferred bond refunding costs	4,107,049		
Unamortized discount (premium)	(7,725,533)		
Pension obligations	(12,156,940)		
Compensated absences and termination benefits payable	(74,529,175)		
Notes payable	(55,592,921)		
Arbitrage rebate	(2,071,759)		
Total long-term liabilities			(801,255,063)

Total net assets of governmental activities

\$ 1,064,392,954

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2003

	<u>General</u>	<u>Federal and State Aided Programs</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenue:					
Taxes	\$ 1,009,029,655	-	-	929,230	1,009,958,885
Licenses and permits	15,716,511	-	-	242,174	15,958,685
Fines and forfeitures	1,266,422	-	39,138	1,628,309	2,933,869
Use of money and property	9,890,371	972,783	-	467,479	11,330,633
Charges for services	20,347,064	2,263,767	14,533,107	2,459,198	39,603,136
Sale of property	-	-	-	298,551	298,551
Intergovernmental	34,749,701	80,370,224	7,355,081	6,446,447	128,921,453
Miscellaneous	1,721,310	1,289,280	2,069,758	2,500	5,082,848
Total revenue	<u>1,092,721,034</u>	<u>84,896,054</u>	<u>23,997,084</u>	<u>12,473,888</u>	<u>1,214,088,060</u>
Expenditures:					
Current:					
General government	119,549,573	13,971,825	-	506,640	134,028,038
Public safety	319,380,037	11,545,992	-	522,614	331,448,643
Public works and transportation	13,948,260	1,779,842	-	-	15,728,102
Health	20,738,843	32,977,194	-	-	53,716,037
Public welfare	1,517,607	26,344,352	-	319,371	28,181,330
Capital projects	-	-	57,260,328	-	57,260,328
Education:					
Board of Education	501,172,500	-	44,199,885	-	545,372,385
Community College	13,166,300	-	1,428,142	-	14,594,442
Memorial Library	13,810,000	-	412,787	-	14,222,787
Debt service:					
Principal retirement	8,491,376	355,000	-	40,270,178	49,116,554
Interest	4,539,235	441,654	-	31,444,833	36,425,722
Total expenditures	<u>1,016,313,731</u>	<u>87,415,859</u>	<u>103,301,142</u>	<u>73,063,636</u>	<u>1,280,094,368</u>
Excess of revenue over (under) expenditures	<u>76,407,303</u>	<u>(2,519,805)</u>	<u>(79,304,058)</u>	<u>(60,589,748)</u>	<u>(66,006,308)</u>
Other financing sources (uses):					
General obligation bonds issued	-	-	104,825,000	-	104,825,000
Bond premium	-	-	-	21,564	21,564
Transfers in - other funds	1,000,000	2,142,303	-	61,848,613	64,990,916
Transfers out - other funds	(68,876,069)	-	-	(1,000,000)	(69,876,069)
Total other financing sources (uses)	<u>(67,876,069)</u>	<u>2,142,303</u>	<u>104,825,000</u>	<u>60,870,177</u>	<u>99,961,411</u>
Net change in fund balances	<u>8,531,234</u>	<u>(377,502)</u>	<u>25,520,942</u>	<u>280,429</u>	<u>33,955,103</u>
Fund balances, beginning of year	<u>166,578,314</u>	<u>1,069,066</u>	<u>29,895,788</u>	<u>6,052,031</u>	<u>203,595,199</u>
Fund balances, end of year	<u>\$ 175,109,548</u>	<u>691,564</u>	<u>55,416,730</u>	<u>6,332,460</u>	<u>237,550,302</u>

See accompanying notes to financial statements.

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2003

Amounts reported for governmental activities in the statement of activities is different because:

Net change in fund balances - total governmental funds	\$ 33,955,103
Capital Outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Assets.	40,667,978
Depreciation expense on governmental capital assets is included as an expense in the statement of activities, but does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	(45,767,464)
Donated capital assets are reported as revenue on the statement of activities, however they do not provide current financial resources to the funds.	38,258,750
Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenue in the funds. This represents changes in deferred revenue at the government-wide level.	712,056
In the statement of activities the loss on disposal of equipment is reported, whereas in the governmental funds, disposal of capital assets are not recorded. Thus the change in net assets differs from the change in fund balance.	(973,476)
Internal Service Funds are used by management to charge the cost of fleet maintenance, information technology, and self insurance. The net revenue is reported with governmental activities.	(2,365,655)
Long-term debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of activities, however, issuing debt decreases long term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.	
Debt Issued:	
Bond proceeds	\$ (104,825,000)
Bond premium	(21,564)
Principal payments	49,166,458
Net adjustment	(55,680,106)
Certain expenses (i.e. arbitrage, compensated absences) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	891,083
Change in net assets of governmental activities.	<u>\$ 9,698,269</u>

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the year ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue:				
Taxes	\$ 958,448,800	977,932,500	1,009,029,655	31,097,155
Licenses and permits	15,760,700	15,760,700	15,716,511	(44,189)
Fines and forfeitures	2,537,600	2,537,600	1,266,422	(1,271,178)
Use of money and property	14,636,000	14,636,000	9,890,371	(4,745,629)
Charges for services	18,996,800	18,996,800	20,347,064	1,350,264
Intergovernmental	34,054,100	34,054,100	34,749,701	695,601
Miscellaneous	1,177,000	1,177,000	1,721,310	544,310
Total revenue	<u>1,045,611,000</u>	<u>1,065,094,700</u>	<u>1,092,721,034</u>	<u>27,626,334</u>
Expenditures:				
General government:				
County Executive	4,402,000	4,402,000	4,169,230	232,770
Legislative Branch	7,257,900	7,257,900	7,239,650	18,250
Human Relations Commission	615,200	615,200	613,362	1,838
Circuit Court	10,384,813	10,384,813	10,114,410	270,403
Orphan's Court	283,500	283,500	263,355	20,145
State's Attorney's Office	10,861,400	10,861,400	10,854,988	6,412
Personnel Board	200,800	200,800	187,219	13,581
Office of Finance	3,398,200	3,398,200	3,233,551	164,649
Citizen Complaint Oversight Panel	211,400	211,400	171,741	39,659
Office of Business and Regulatory Affairs	1,313,800	1,313,800	1,313,592	208
Office of Management and Budget	1,664,600	1,664,600	1,662,181	2,419
Board of License Commissioners	989,900	989,900	930,586	59,314
Office of Law	3,252,700	3,252,700	3,114,634	138,066
Office of Personnel	3,521,912	3,521,912	3,520,719	1,193
Board of Elections	2,259,500	2,790,900	2,655,397	135,503
Office of Central Services	12,036,300	12,036,300	11,824,852	211,448
Department of Family Services	1,814,595	1,814,595	1,625,797	188,798
Department of Housing and Community Development	1,281,700	1,281,700	1,273,349	8,351
Non-departmental	<u>57,540,700</u>	<u>63,803,849</u>	<u>63,589,806</u>	<u>214,043</u>
Total general government	<u>123,290,920</u>	<u>130,085,469</u>	<u>128,358,419</u>	<u>1,727,050</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual, continued
General Fund
For the year ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public safety				
Department of Environmental Resources	8,984,700	8,984,700	8,857,751	126,949
Police Department	145,169,894	151,806,067	151,426,487	379,580
Fire Department	81,648,900	84,413,100	84,331,012	82,088
Sheriff's Department	17,152,400	19,011,000	18,893,989	117,011
Department of Corrections	41,665,900	44,267,600	44,262,903	4,697
Office of Information Technology	14,380,947	12,630,947	12,614,678	16,269
Total Public Safety	<u>309,002,741</u>	<u>321,113,414</u>	<u>320,386,820</u>	<u>726,594</u>
Public works and transportation	10,981,800	13,175,600	13,173,016	2,584
Health	20,965,161	21,069,561	20,975,284	94,277
Public welfare	1,611,300	1,611,300	1,543,422	67,878
Education	523,948,800	528,148,800	528,148,800	-
Total expenditures	<u>989,800,722</u>	<u>1,015,204,144</u>	<u>1,012,585,761</u>	<u>2,618,383</u>
Excess of revenue over expenditures	<u>55,810,278</u>	<u>49,890,556</u>	<u>80,135,273</u>	<u>30,244,717</u>
Other financing sources (uses):				
Prior year encumbrances cancelled	-	-	2,074,390	2,074,390
Transfers in - other funds	1,000,000	1,000,000	1,000,000	-
Transfers out - other funds	(74,810,278)	(68,890,556)	(68,876,069)	14,487
Appropriated fund balance	<u>18,000,000</u>	<u>18,000,000</u>	<u>-</u>	<u>(18,000,000)</u>
Total other financing sources (uses)	<u>(55,810,278)</u>	<u>(49,890,556)</u>	<u>(65,801,679)</u>	<u>(15,911,123)</u>
Excess of revenue and other financing sources over expenditures and other uses (budget basis)	<u>\$ -</u>	<u>-</u>	<u>14,333,594</u>	<u>14,333,594</u>
Adjustments:				
Prior year encumbrances cancelled			(2,074,390)	
Current year encumbrances outstanding			4,715,064	
Expenditure of prior year encumbrances			(5,227,751)	
Capital financing expenditures			<u>(3,215,283)</u>	
Excess of revenue and other financing sources over expenditures and other uses (GAAP basis)			8,531,234	
Fund balances, beginning of year			<u>166,578,314</u>	
Fund balances, end of year			<u>\$ 175,109,548</u>	

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Net Assets
Proprietary Funds
June 30, 2003

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities- Internal Service Funds
<u>Assets</u>	<u>Solid Waste Fund</u>	<u>Stormwater Management Fund</u>	<u>Total</u>	
Current assets:				
Cash and investments	\$ 33,841,876	7,360,191	41,202,067	34,816,747
Cash with fiscal agents	12,000	403,120	415,120	-
Taxes receivable	-	720,447	720,447	-
Less allowance for uncollectibles	-	(18,974)	(18,974)	-
Accounts receivable	4,214,747	-	4,214,747	427,040
Less allowance for uncollectibles	(472,671)	-	(472,671)	(6,396)
Accrued interest receivable	-	4,712	4,712	103,585
Due from component units	-	-	-	14,315,417
Due from other governmental units	1,421,087	638,755	2,059,842	-
Inventories	-	-	-	703,019
Prepaid costs and deposits	865	-	865	1,496,427
Total current assets	<u>39,017,904</u>	<u>9,108,251</u>	<u>48,126,155</u>	<u>51,855,839</u>
Noncurrent assets:				
Restricted cash and investments				
Self-insurance	-	-	-	15,283,958
Revenue bond operation and maintenance	7,500,000	-	7,500,000	-
Sandy Hill Trust	1,890,485	-	1,890,485	-
Debt service	6,063,574	-	6,063,574	-
Landfill closure	38,545,239	-	38,545,239	-
Unspent bond proceeds	-	2,011,785	2,011,785	-
Total restricted cash and investments	<u>53,999,298</u>	<u>2,011,785</u>	<u>56,011,083</u>	<u>15,283,958</u>
Capital assets:				
Land	3,633,462	8,431,440	12,064,902	1,000,000
Buildings and improvements	3,747,432	242,525	3,989,957	2,640,889
Accumulated depreciation	(1,738,692)	(132,580)	(1,871,272)	(1,147,934)
Improvements other than buildings	3,203,990	-	3,203,990	328,014
Accumulated depreciation	(2,415,259)	-	(2,415,259)	(284,364)
Equipment	21,671,137	1,174,143	22,845,280	5,251,372
Accumulated depreciation	(13,718,120)	(1,077,702)	(14,795,822)	(3,262,396)
Landfill property in service	83,974,223	-	83,974,223	-
Accumulated depreciation	(60,634,779)	-	(60,634,779)	-
Stormwater property in service	-	90,948,151	90,948,151	-
Accumulated depreciation	-	(25,430,348)	(25,430,348)	-
Construction in progress	50,276,978	42,326,729	92,603,707	-
Total capital assets	<u>88,000,372</u>	<u>116,482,358</u>	<u>204,482,730</u>	<u>4,525,581</u>
Deferred landfill closure costs	20,718,167	-	20,718,167	-
Deferred debt issue costs - net	1,117,250	1,202,178	2,319,428	47,480
Total noncurrent assets	<u>163,835,087</u>	<u>119,696,321</u>	<u>283,531,408</u>	<u>19,857,019</u>
Total assets	<u>202,852,991</u>	<u>128,804,572</u>	<u>331,657,563</u>	<u>71,712,858</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Net Assets, Continued
Proprietary Funds
June 30, 2003

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities- Internal Service Funds</u>
<u>Liabilities</u>	<u>Solid Waste Fund</u>	<u>Stormwater Management Fund</u>	<u>Total</u>	
Current liabilities:				
Payable from unrestricted assets:				
Current portion of bonded debt	\$ 5,623,543	1,970,000	7,593,543	-
Current portion of compensated absences and termination benefits payable	779,002	1,398,045	2,177,047	628,514
Current portion of notes payable	236,162	2,035,662	2,271,824	219,333
Current portion of estimated liability on pending claims	-	-	-	20,741,666
Current portion of postclosure liability	4,350,683	-	4,350,683	-
Accounts payable	807,650	525,003	1,332,653	6,201,833
Retainages	1,217,888	258,370	1,476,258	-
Accrued liabilities	930,017	399,651	1,329,668	331,336
Deferred revenue	12,929	-	12,929	291,513
Matured bonds and interest payable	12,000	408,134	420,134	-
Deposits	129,763	349,911	479,674	152,697
Total current liabilities	14,099,637	7,344,776	21,444,413	28,566,892
Long-term liabilities:				
Bonded debt, less current portion	67,746,193	32,575,000	100,321,193	-
Deferred bond refunding costs	(1,558,423)	-	(1,558,423)	-
Unamortized bond premium (discount)	(307,394)	821,424	514,030	(19,036)
Compensated absences and termination benefits payable, less current portion	215,639	277,253	492,892	575,169
Notes payable, less current portion	80,445	4,723,186	4,803,631	2,643,289
Estimated liability on pending claims, less current portion	-	-	-	38,827,499
Estimated liability for landfill closure costs, less current portion	50,950,174	-	50,950,174	-
Total long-term liabilities	117,126,634	38,396,863	155,523,497	42,026,921
Total liabilities	131,226,271	45,741,639	176,967,910	70,593,813
Net Assets				
Invested in capital assets, net of related debt	17,013,103	77,858,966	94,872,069	1,842,492
Restricted for capital improvements and future maintenance	7,500,000	-	7,500,000	-
Restricted for Sandy Hill Trust	1,890,485	-	1,890,485	-
Restricted for debt service	6,063,574	-	6,063,574	-
Restricted for landfill closure costs	3,962,549	-	3,962,549	-
Restricted for Chesapeake Bay and tree preservation activities	-	570,608	570,608	-
Unrestricted	35,197,009	4,633,359	39,830,368	(723,447)
Total net assets	\$ 71,626,720	83,062,933	154,689,653	1,119,045
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(620,623)	
Net assets of business-type activities			\$ 154,069,030	
See accompanying notes to financial statements.				

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Revenue, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the year ended June 30, 2003

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities- Internal Service Funds
	Solid Waste Fund	Stormwater Management Fund	Total	
Operating revenue:				
Premium Contributions	\$ -	-	-	77,054,146
Licenses and permits	-	2,696,939	2,696,939	-
Sales	55,052	-	55,052	14,120,486
Charges for services	73,545,791	3,400	73,549,191	8,321,787
Use of money and property - rentals	-	-	-	295,843
Miscellaneous	-	-	-	1,482,793
Total operating revenue	<u>73,600,843</u>	<u>2,700,339</u>	<u>76,301,182</u>	<u>101,275,055</u>
Operating expenses:				
Salaries	6,341,847	9,568,427	15,910,274	6,400,395
Project charges - salaries	5,910,270	1,741,235	7,651,505	-
Fringe benefits	2,956,827	2,797,205	5,754,032	1,563,583
Project charges - recoveries	(233,768)	(1,032,022)	(1,265,790)	-
Contractual services	29,982,792	-	29,982,792	12,146,618
Materials	-	-	-	4,104,253
Rent	-	-	-	219,050
General and administrative	11,023,557	5,150,266	16,173,823	7,368,455
Depreciation and amortization	5,198,252	2,319,875	7,518,127	530,211
Insurance claims and premiums	-	-	-	74,403,850
Landfill postclosure expense	4,715,305	-	4,715,305	-
Other	-	-	-	3,469,093
Total operating expenses	<u>65,895,082</u>	<u>20,544,986</u>	<u>86,440,068</u>	<u>110,205,508</u>
Operating income (loss)	<u>7,705,761</u>	<u>(17,844,647)</u>	<u>(10,138,886)</u>	<u>(8,930,453)</u>
Nonoperating revenue (expenses):				
Taxes	-	23,054,564	23,054,564	-
Interest income	859,828	370,642	1,230,470	1,177,664
Interest expense	(3,538,308)	(1,956,657)	(5,494,965)	(169,890)
Debt issuance costs	(307,447)	(152,639)	(460,086)	(5,379)
Loss on sale of capital assets	-	(3,180)	(3,180)	(1,000)
Total nonoperating revenue (expenses)	<u>(2,985,927)</u>	<u>21,312,730</u>	<u>18,326,803</u>	<u>1,001,395</u>
Income (loss) before contributions and transfers	4,719,834	3,468,083	8,187,917	(7,929,058)
Transfers in - other funds	-	-	-	4,885,153
Capital contributions	-	243,888	243,888	63,643
Change in net assets	<u>4,719,834</u>	<u>3,711,971</u>	<u>8,431,805</u>	<u>(2,980,262)</u>
Net assets - beginning of year	<u>66,906,886</u>	<u>79,350,962</u>		<u>4,099,307</u>
Net assets - end of year	<u>\$ 71,626,720</u>	<u>83,062,933</u>		<u>1,119,045</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(614,607)	
Change in net assets of business-type activities			<u>\$ 7,817,198</u>	

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2003

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities- Internal Service Funds</u>
	<u>Solid Waste Fund</u>	<u>Stormwater Management Fund</u>	<u>Total</u>	
Cash flows from operating activities:				
Cash received from customers	\$ 74,617,111	2,700,339	77,317,450	94,276,851
Cash payments to suppliers for goods and services	(41,910,180)	(4,864,771)	(46,774,951)	(24,662,801)
Cash payments to employees for services	(14,948,690)	(13,078,461)	(28,027,151)	(7,589,523)
Premium and claim payments	-	-	-	(69,540,515)
Other cash receipts	-	-	-	679,232
Net cash and cash equivalents provided (used) by operating activities	<u>17,758,241</u>	<u>(15,242,893)</u>	<u>2,515,348</u>	<u>(6,836,756)</u>
Cash flows from noncapital financing activities:				
Tax collections	-	23,014,479	23,014,479	-
Transfer from General Fund	-	-	-	4,885,153
Net cash and cash equivalents provided by noncapital financing activities	<u>-</u>	<u>23,014,479</u>	<u>23,014,479</u>	<u>4,885,153</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of property, plant and equipment	(10,897,682)	(5,483,351)	(16,381,033)	(677,272)
Capital grants	-	1,153,770	1,153,770	-
Proceeds of bonded debt	503,694	129,568	633,262	-
Reallocation of notes payable	49,904	-	49,904	-
Payment of bond issue costs	(3,375)	(6,105)	(9,480)	-
Principal payments on bonded debt	(5,358,209)	(2,029,568)	(7,387,777)	-
Principal payments on notes payable	(227,503)	(2,281,988)	(2,509,491)	(208,413)
Interest payments	(3,734,443)	(2,122,993)	(5,857,436)	(171,249)
Net cash and cash equivalents used in capital and related financing activities	<u>(19,667,614)</u>	<u>(10,640,667)</u>	<u>(30,308,281)</u>	<u>(1,056,934)</u>
Cash flows from investing activities:				
Interest on investments	859,828	440,960	1,300,788	1,360,800
Net cash and cash equivalents provided by investing activities	<u>859,828</u>	<u>440,960</u>	<u>1,300,788</u>	<u>1,360,800</u>
Net decrease in cash and cash equivalents	(1,049,545)	(2,428,121)	(3,477,666)	(1,647,737)
Cash and cash equivalents, beginning of year	<u>88,902,719</u>	<u>12,203,217</u>	<u>101,105,936</u>	<u>51,748,442</u>
Cash and cash equivalents, end of year	<u>\$ 87,853,174</u>	<u>9,775,096</u>	<u>97,628,270</u>	<u>50,100,705</u>
Classified as:				
Current assets	\$ 33,853,876	7,763,311	41,617,187	34,816,747
Restricted assets	53,999,298	2,011,785	56,011,083	15,283,958
	<u>\$ 87,853,174</u>	<u>9,775,096</u>	<u>97,628,270</u>	<u>50,100,705</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Cash Flows, Continued
Proprietary Funds
For the year ended June 30, 2003

	<u>Business-type Activities - Enterprise Funds</u>			Governmental
	<u>Solid</u>	<u>Stormwater</u>		<u>Activities-</u>
	<u>Waste</u>	<u>Management</u>		<u>Internal</u>
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>	<u>Service</u>
				<u>Funds</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 7,705,761	(17,844,647)	(10,138,886)	(8,930,453)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	5,198,252	2,319,875	7,518,127	530,211
Provision for doubtful receivables	275,934	-	275,934	-
Changes in assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	780,627	-	780,627	(275,209)
Inventories	-	-	-	(128,149)
Due from other governmental units	(40,293)	-	(40,293)	-
Prepaid costs	-	-	-	(42,302)
Deferred landfill closure costs	2,044,416	-	2,044,416	-
Increase (decrease) in :				
Compensated absences and termination benefits payable	19,330	(59,837)	(40,507)	243,709
Accounts payable	(882,096)	140,731	(741,365)	3,121,051
Retainages	164,363	144,764	309,127	-
Accrued costs	7,156	56,221	63,377	130,339
Due to other funds	-	-	-	(88,000)
Deferred revenue	(21,374)	-	(21,374)	(157,110)
Deposits	2,138	-	2,138	88,000
Due from component units	-	-	-	(5,974,654)
Estimated liability for landfill closure costs	2,504,027	-	2,504,027	-
Estimated liability on pending claims	-	-	-	4,645,811
Total adjustments	<u>10,052,480</u>	<u>2,601,754</u>	<u>12,654,234</u>	<u>2,093,697</u>
Net cash and cash equivalents provided (used) by operating activities	\$ <u>17,758,241</u>	<u>(15,242,893)</u>	<u>2,515,348</u>	<u>(6,836,756)</u>
Non-cash investing, capital and related financing activities:				
Decrease in accrued interest receivable	\$ -	-	-	183,136
Donated capital assets	-	-	-	63,643
	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>246,779</u>

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Net Assets
Fiduciary Funds
June 30, 2003

	Primary Government		
	Pension Trust Funds	Agency Funds	Total
Assets:			
Cash and investments	\$ 675,396,782	933,979	676,330,761
Investments - equity in pooled separate accounts	140,053,174	-	140,053,174
Receivables:			
Taxes	-	4,770,285	4,770,285
Accounts	-	11,861	11,861
Accrued interest receivable	3,129,680	-	3,129,680
Prepaid costs and deposits	32,498	-	32,498
Total assets	818,612,134	5,716,125	824,328,259
Liabilities:			
Accounts payable	288,086	213,871	501,957
Accrued costs	707,672	-	707,672
Due to other funds	-	394,000	394,000
Due to other governmental units	-	5,104,182	5,104,182
Funds held in trust	-	4,072	4,072
Total liabilities	995,758	5,716,125	6,711,883
Net assets:			
Net assets held in trust for pension benefits	\$ 817,616,376	-	817,616,376

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Changes in Net Assets
Fiduciary Funds
For the year ended June 30, 2003

	Pension Trust Funds
Additions:	
Contributions:	
Employer	\$ 38,504,827
Employee	11,438,111
Total contributions	49,942,938
Investment income :	
Net appreciation in fair value of assets	6,025,850
Interest and dividends	24,639,328
Total investment income	30,665,178
Less investment expense	3,745,332
Net investment income	26,919,846
Total additions	76,862,784
Deductions:	
Benefits	66,620,368
Refunds of contributions	2,504,397
General and administrative expenses	1,627,118
Total deductions	70,751,883
Net increase	6,110,901
Net assets held in trust for pension benefits, beginning of year	811,505,475
Net assets held in trust for pension benefits, end of year	\$ 817,616,376

See accompanying notes to financial statements.

- THIS PAGE NOT USED. -